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12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA
14
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16 NEMAN BROTHERS & ASSOC.,
17 INC., a California Corporation;

18 Plaintiff,

19 vs.

20 ZULILY, LLC. a Washington limited
21 liability company; and DOES 1-10,
inclusive,

22 Defendants.
23

Case Number: 2:17-cv-4465

PLAINTIFF'S COMPLAINT FOR:

- 1. COPYRIGHT INFRINGEMENT**
2. VICARIOUS COPYRIGHT
INFRINGEMENT
3. CONTRIBUTORY COPYRIGHT
INFRINGEMENT

Jury Trial Demanded

24 Plaintiff NEMAN BROTHERS & ASSOC., INC. ("Plaintiff") by and through its
25 undersigned attorneys, hereby prays to this honorable Court for relief and remedy
26 based on the following:
27
28

INTRODUCTION

Plaintiff is a California-based company engaged in the apparel industry as a textile converter of imported and domestic fabrications. Plaintiff creates, or purchases and obtains, exclusive rights to unique two-dimensional graphic artworks for use on textiles and garments, and those textiles and garments are transacted primarily in the fashion industry. Plaintiff owns these designs in exclusivity and makes sales of products bearing these designs for profit. Plaintiff's business is predicated on its ownership of these designs and it spends a considerable amount of time and resources creating and obtaining top-quality, marketable and aesthetically-appealing designs. Customers of Plaintiff, including possibly DOE defendants named herein, take design samples with the understanding and agreement that they will only utilize Plaintiff to reproduce said designs should they wish to do so, and will not seek to make minor changes to Plaintiff's proprietary work to reproduce the same elsewhere, yet use those designs in furtherance of their business in violation of both their contractual agreement with Plaintiff and Plaintiff's copyrights. No other party is authorized to make sales of product bearing Plaintiff's proprietary designs without express permission from Plaintiff. This action is brought to recover damages for direct, vicarious and contributory copyright infringement arising out of the misappropriation of Plaintiff's exclusive designs by the Defendants, and each of them.

JURISDICTION AND VENUE

1. This action arises under the Copyright Act of 1976, Title 17 U.S.C. § 101 *et seq.*
2. This Court has federal question jurisdiction under 28 U.S.C. §§ 1331, 1338(a) and (b).

1 3. Venue in this judicial district is proper under 28 U.S.C. §§ 1391(c) and 1400(a)
2 in that this is the judicial district in which a substantial part of the acts and
3 omissions giving rise to the claims occurred.

4 **PARTIES**

5 4. NEMAN BROTHERS & ASSOC., INC. (“Plaintiff”) is a corporation
6 organized and existing under the laws of the State of California with its
7 principal place of business in the County of Los Angeles, at 1525 S Broadway
8 St., Los Angeles, CA 90015.

9 5. Plaintiff is informed and believes and thereon alleges that Defendant ZULILY,
10 LLC., (“ZULILY”), is, and at all times herein mentioned was, a corporation
11 organized and existing under the laws of Washington and doing business in
12 Washington, with its principal place of business at 300 Deschutes Way SW,
13 Suite 304, Tumwater, WA 98501

14 6. Named Defendants, and Does 1-10, may be collectively referred to as
15 “Defendants.”

16 7. Plaintiff is informed and believes and thereon alleges that some of Defendants
17 Does 1 through 3, inclusive, are manufacturers and/or vendors of garments to
18 Defendant, which DOE Defendants have manufactured and/or supplied and are
19 manufacturing and/or supplying garments comprised of fabric printed with
20 Plaintiff’s copyrighted design(s) (as hereinafter defined) without Plaintiff’s
21 knowledge or consent or have contributed to said infringement. The true
22 names, whether corporate, individual or otherwise, and capacities of defendants
23 sued herein as Does 1 through 3 are presently unknown to Plaintiff at this time,
24 and therefore, Plaintiff sues said defendants by such fictitious names. Plaintiff
25 will seek leave to amend this complaint to allege their true names and capacities
26 when the same have been ascertained. Plaintiff is informed and believes, and
27 based thereon alleges, that each of defendants designated as a DOE is
28 responsible in some manner for the events alleged herein and the damages

1 caused thereby.

- 2 8. Defendants DOES 4 through 10, inclusive, are other parties not yet identified
 3 who have infringed Plaintiff's copyrights, have contributed to the infringement
 4 of Plaintiff's copyrights, or have engaged in one or more of the wrongful
 5 practices alleged herein. The true names, whether corporate, individual or
 6 otherwise, and capacities of defendants sued herein as Does 4 through 10 are
 7 presently unknown to Plaintiff at this time, and therefore, Plaintiff sues said
 8 defendants by such fictitious names. Plaintiff will seek leave to amend this
 9 complaint to allege their true names and capacities when the same have been
 10 ascertained.
- 11 9. Plaintiff is informed and believes and thereupon alleges that at all times
 12 relevant hereto each of Defendants acted in concert with each other, was the
 13 agent, affiliate, officer, director, manager, principal, alter-ego, and/or employee
 14 of the remaining defendants and was at all times acting within the scope of such
 15 agency, affiliation, alter-ego relationship and/or employment; and actively
 16 participated in or subsequently rarified and adopted, or both, each and all of the
 17 acts or conducts alleged, with full knowledge of all the facts and circumstances,
 18 including without limitation to full knowledge of each and every wrongful
 19 conducts and Plaintiff's damages caused therefrom.

20 21 **CLAIMS RELATED TO DESIGN**

- 22 10. Plaintiff is the owner and author of a two-dimensional artwork called
 23 NB121214X-R ("Subject Design"). (Exhibit A).
- 24 11. Plaintiff applied for a copyright from the United States Copyright Office for the
 25 Subject Design and was granted Registration No. VAu 1-158-071 effective on
 26 February 15, 2013. (Exhibit B).
- 27 12. Plaintiff formatted the Subject Design for use on textiles, sampled the Subject
 28 Design, and negotiated sales of fabric bearing the Subject Design.

1 13.Plaintiff is informed and believes and thereon alleges that Defendants, each of
2 them, had access to the Subject Designs, including without limitation, through:
3 (a) access to Plaintiff's showroom and/or design library; (b) access to illegally
4 distributed copies of the Subject Designs by third-party vendors and/or DOE
5 Defendants, including without limitation international and/or overseas
6 converters and printing mills; (c) access to Plaintiff's strike-offs and samples;
7 and (d) access to garments in the marketplace manufactured with lawfully
8 printed fabric bearing the Subject Designs.

9 14.Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
10 authorization, Defendant ZULILY purchased, sold, marketed, advertised,
11 manufactured, caused to be manufactured, imported and/or distributed fabric
12 and/or garments comprised of fabric featuring a design which is identical, or
13 substantially similar to, the Subject Design. A true and correct copy of such a
14 garment is attached hereto as Exhibit C. Said garments include but are not
15 limited to garments sold by ZULILY bearing the label "Sugar Berry".

16 15.At various times Defendant ZULILY owned and controlled offline and/or
17 online retail stores, and each, Plaintiff's investigation revealed that garments
18 comprised of fabric bearing the Subject Design were being offered for sale,
19 garments which were manufactured and/or imported under the direction of the
20 Defendants, and each of them.

21 16.None of the aforementioned transactions were authorized by Plaintiff, and all
22 were in violation of Plaintiff's intellectual property rights.

23 24 **FIRST CLAIM FOR RELIEF**

25 (For Copyright Infringement – Against all Defendants, and Each)

26 17.Plaintiff repeats, re-alleges and incorporates herein by reference as though fully
27 set forth the allegations contained in Paragraphs 1 through 16, inclusive, of this
28 Complaint.

- 1 18. Plaintiff is informed and believes and thereon alleges that Defendants, and each
2 of them, accessed the Subject Design through, without limitation, the following:
3 (a) access to Plaintiff's design library; (b) access to authorized or unauthorized
4 reproductions in the possession of other vendors and/or DOE Defendants; and
5 (c) access to Plaintiff's strike-offs, swatches, paper CADs and samples.
- 6 19. Plaintiff is informed and believes and thereon alleges that Defendants, and each
7 of them, infringed Plaintiff's copyright by importing, creating, marketing,
8 advertising, making, and/or developing directly infringing and/or derivative
9 works from the Subject Design and by importing, producing, distributing and/or
10 selling infringing garments through a nationwide network of retail stores,
11 catalogues, and online websites.
- 12 20. Due to Defendants' acts of infringement, Plaintiff has suffered substantial
13 damages to its business in an amount to be established at trial.
- 14 21. Due to Defendants' acts of infringement, Plaintiff has suffered general and
15 special damages to its business in an amount to be established at trial.
- 16 22. Due to Defendants' acts of copyright infringement as alleged herein,
17 Defendants, and each of them, have obtained direct and indirect profits they
18 would not otherwise have realized but for their infringement of the Subject
19 Design. As such, Plaintiff is entitled to disgorgement of Defendants' profits
20 directly and indirectly attributable to Defendants' infringement of the Subject
21 Design in an amount to be established at trial.
- 22 23. Plaintiff is informed and believes and thereon alleges that Defendants, and each
23 of them, have committed acts of infringement alleged herein with actual or
24 constructive knowledge of Plaintiff's rights such that Plaintiff is entitled to a
25 finding of willful infringement.

26
27 **SECOND CLAIM FOR RELIEF**

28 (For Vicarious Copyright Infringement – Against All Defendants)

1 24.Plaintiff repeats, re-alleges and incorporates herein by reference as though fully
2 set forth the allegations contained in Paragraphs 1 through 23, inclusive, of this
3 Complaint.

4 25.Plaintiff is informed and believes and thereon alleges that Defendants, and each
5 of them, knowingly induced, participated in, aided and abetted in and
6 resultantly profited from the illegal reproduction, importation, purchase,
7 marketing, advertisement, distribution and/or sales of product featuring the
8 Subject Design as alleged herein above.

9 26.Plaintiff is informed and believes and thereon alleges that Defendants, and each
10 of them, are vicariously liable for the infringement alleged herein because they
11 had the right and ability to supervise the infringing conduct and because they
12 had a direct financial interest in the infringing product.

13 27.By reason of the Defendants', and each of their, acts of contributory and/or
14 vicarious infringement as alleged above, Plaintiff has suffered and will continue
15 to suffer substantial damages to its business in an amount to be established at
16 trial, as well as additional general and special damages in an amount to be
17 established at trial.

18 28.Due to Defendants' acts of contributory and/or vicarious copyright infringement
19 as alleged herein, Defendants, and each of them, have obtained direct and
20 indirect profits they would have not otherwise realized bur for their
21 infringement of the Subject Design. As such, Plaintiff is entitled to
22 disgorgement of Defendants' profits directly and indirectly attributable to
23 Defendants' infringement of the Subject Design, an amount to be established at
24 trial.

25 29.Plaintiff is informed and believes and thereon alleges that Defendants, and each
26 of them, have committed acts of infringement alleged herein with actual or
27 constructive knowledge of Plaintiff's rights such that Plaintiff is entitled to a
28 finding of willful infringement.

THIRD CLAIM FOR RELIEF

(Contributory Copyright Infringement– Against All Defendants)

30. Plaintiff repeats, re-alleges and incorporates herein by reference as though fully set forth the allegations contained hereforeto, inclusive, of this Complaint.

31. Plaintiff is informed and believes and thereon alleges that Defendants, and each of them, knowingly induced, caused, materially contributed to, participated in, encourages, aided and abetted in and resultantly profited from the illegal reproduction, importation, purchase, marketing, advertising, distribution and/or sales of product featuring the Subject Design as alleged herein above.

32. By reason of the Defendants', and each of their, acts of contributory copyright infringement as alleged above, Plaintiff has suffered and will continue to suffer substantial damages to its business in an amount to established at trial, as well as additional general and special damages in an amount to be established at trial.

33. Due to Defendants' acts of contributory copyright infringement as alleged herein, Defendants, and each of them, have obtained direct and indirect profits they would have not otherwise realized bur for their infringement of the Subject Design. As such, Plaintiff is entitled to disgorgement of Defendants' profits directly and indirectly attributable to Defendants' infringement of the Subject Design, an amount to be established at trial.

34. Plaintiff is informed and believes and thereon alleges that Defendants, and each of them, have committed acts of infringement alleged herein with actual or constructive knowledge of Plaintiff's rights such that Plaintiff is entitled to a finding of willful infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against all Defendants as follows:

Against All Defendants

With respect to Each Claim for Relief:

1. That Defendants, their agents and servants be enjoined from infringing Plaintiff's copyrights in any manner;
2. That Plaintiff be awarded all profits of Defendants plus all losses of Plaintiff, the exact sum to be proven at time of trial, or, if elected before final judgment, statutory damages as available under the Copyright Act, 17 U.S.C. § 101 *et seq.*;
3. That Plaintiff be awarded its attorneys' fees as available under the Copyright Act, 17 U.S.C. § 101 *et seq.*;
4. That Plaintiff be awarded pre-judgment interest as allowed by law;
5. That Plaintiff be awarded costs of litigation; and
6. That Plaintiff be awarded such further legal and equitable relief as the Court deems proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury in this action pursuant to Federal Rule of Civil Procedure 38 and the Seventh Amendment of the Constitution.

Dated: June 15, 2017

Respectfully submitted,

/s/C. Yong Jeong

C. Yong Jeong, Esq.

Amy Choe, Esq.

Attorneys for Plaintiff